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proceeds being placed in custody of B, awaiting this decision; the plaintiffs claiming the \$2,200 as against the defendants, creditors of the firm. By a divided court it was decided that where a chattel mortgage is held valid for a part only of a mortgage debt, the holder of a valid second mortgage on the same property is entitled to the benefit of the amount so deducted from first mortgage debt as against the mortgage creditors, the second mortgagee taking something more than the mere equity of redemption remaining in the mortgagor, after execution of first mortgage. Lyon, J., says: "Both mortgages being valid, the reasonable rule seems to be that the second mortgage takes all the interest in the property remaining after the first mortgage is satisfied and the subsequent attaching or garnishing creditors of the mortgagor must be postponed till both mortgages are satisfied."

Citizenship of Corporations.—*Stephens v. R. R. Co.*, 47 Fed. Rep. 530. The St. Louis and San Francisco R. R. Co. had been originally chartered by the State of Missouri. By an act of the Arkansas legislature it was legalized as a corporation of Arkansas. A citizen of Arkansas brought an action against it in the State Court of Arkansas. The corporation undertook to remove to the Federal Court. As to its power to do so the Court say: "This Court held, in 46 Fed. Rep. 47, that defendant, a corporation of Missouri, had by virtue of the act of the Arkansas legislature of March 13, 1889, become also a corporation of Arkansas. But did this act make it any less a corporation of Missouri, by which State it was first incorporated? The fact that the defendant holds and exercises chartered powers by the common legislature of two States, and exercises a common citizenship of those States, does not destroy its rights as a citizen of Missouri, for it does not take away the fact of its citizenship in such State. * * * The effect of the legislation of Arkansas making the defendant a corporation of the State of Arkansas cannot be so construed as to take away the right of the defendant, created by law a citizen of Missouri, from going into the Federal Court, or hindering a citizen from bringing a suit against it in such court, as to do so would be an exercise of power by the legislature of the State, which, under the Constitution of the U. S. belongs alone to Congress—that of defining the jurisdiction of the Federal Court."

Corporations—Action against Stockholders by Creditors.—*Barnes v. Babcock et al.*, 27 Pacific Reporter 674. In this very recent case the Supreme Court of California passes upon many of the ques-

tions previously decided in the leading case of *Hatch v. Dana*, 101 U. S. 205, and in full accord therewith. In brief it decides that a judgment creditor who has had an execution returned unsatisfied against a street railroad company may maintain an action against its stockholders to recover, for the benefit of all creditors who may desire to be made parties, the amount due upon unpaid subscriptions for stock. The judgment and execution against the corporation returned unsatisfied is conclusive proof that the creditor has exhausted his legal remedy against the corporation, and no evidence is admissible to rebut the presumption. Further, said judgment, in the absence of fraud or collusion between the corporation and the plaintiff, is conclusive against the company and its stockholders as to the indebtedness upon which it was based, and hence evidence that said indebtedness arose upon a contract *ultra vires* is inadmissible. Stockholders' liability is several, and consequently it is unnecessary to make them all defendants; nor is evidence admissible to show that the legal holder of stock on the corporation's books is in fact trustee or pledgee, and not the real equitable owner, and as such legal holder he is alone liable for unpaid subscriptions.

Taxation—National Bank Stock—Deduction of Indebtedness.—Upon a re-hearing in the case of *Bressler v. Wayne County*, 49 N. W. Rep. 787, the Supreme Court of Nebraska reversed its former decision that the owner of national bank stock, having no other moneyed capital, could deduct in the assessment and taxation of such shares his *bona fide* debts. The court reviewed numerous decisions involving the point in question, rendered by the U. S. Supreme Court, among them being *People v. Weaver*, 100 U. S. 539, *Pelham v. Bank*, 101 U. S. 143, and *Bank v. City of N. Y.*, 121 U. S. 138, the latter being cited at length, they being to the effect that "any method of assessment of taxes which prohibits the owner of national bank shares, who owns no other credits or 'moneyed capital,' from deducting his *bona fide* indebtedness from the value of such shares, and permits the deduction of such debts in the assessment of like property, similarly situated, conflicts with the act of Congress." The court says: "We reach the conclusion that in this State in the assessment of shares of national bank stock, the owners thereof are not entitled to deduct their *bona fide* indebtedness from the value of such shares of stock."

Mortgage—Subrogation.—*Spaulding v. Harvey*, 28 N. E. Rep. 323 (Ind.). Defendant was the holder of a mortgage against one